

§ 433.153 Incentive payments to States and political subdivisions.

(a) *When payments are required.* The agency must make an incentive payment to a political subdivision, a legal entity of the subdivision such as a prosecuting or district attorney or a friend of the court, or another State that enforces and collects medical support and payments for the agency.

(b) *Amount and source of payment.* The incentive payment must equal 15 percent of the amount collected, and must be made from the Federal share of that amount.

(c) *Payment to two or more jurisdictions.* If more than one State or political subdivision is involved in enforcing and collecting support and payments:

(1) The agency must pay all of the incentive payment to the political subdivision, legal entity of the subdivision, or another State that collected medical support and payments at the request of the agency.

(2) The political subdivision, legal entity or other State that receives the incentive payment must then divide the incentive payment equally with any other political subdivisions, legal entities, or other States that assisted in the collection, unless an alternative allocation is agreed upon by all jurisdictions involved.

§ 433.154 Distribution of collections.

The agency must distribute collections as follows—

(a) To itself, an amount equal to State Medicaid expenditures for the individual on whose right the collection was based.

(b) To the Federal Government, the Federal share of the State Medicaid expenditures, minus any incentive payment made in accordance with § 433.153.

(c) To the beneficiary, any remaining amount. This amount must be treated as income or resources under part 435 or part 436 of this subchapter, as appropriate.

Subpart E—Methodologies for Determining Federal Share of Medicaid Expenditures for Adult Eligibility Group

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§ 433.202 Scope.

This subpart sets forth the requirements and procedures that are applicable to support State claims for the increased FMAP specified at § 433.10(c)(6) for the medical assistance expenditures for individuals determined eligible as specified in § 435.119 of this chapter who meet the definition of newly eligible individual specified in § 433.204(a)(1). These procedures will also identify individuals determined eligible as specified in § 435.119 of this chapter for whom the State may claim the regular FMAP rate specified at § 433.10(b) or the increased FMAP rate specified at § 433.10(c)(7) or (8), as applicable.

§ 433.204 Definitions.

(a)(1) *Newly eligible individual* means an individual determined eligible for Medicaid in accordance with the requirements of the adult group described in § 435.119 of this chapter, and who, as determined by the State in accordance with the requirements of § 433.206, would not have been eligible for Medicaid under the State's eligibility standards and methodologies for the Medicaid State plan, waiver or demonstration programs in effect in the State as of December 1, 2009, for full benefits or for benchmark coverage described in § 440.330(a), (b), or (c) of this chapter or benchmark equivalent coverage described in § 440.335 of this chapter that has an aggregate actuarial value that is at least actuarially equivalent to benchmark coverage described in § 440.330(a), (b), or (c) of this chapter, or would have been eligible but not enrolled (or placed on a waiting list) for such benefits or coverage through a waiver under the plan that had a capped or limited enrollment that was full.

(2) *Full benefits* means, for purposes of paragraph (a)(1) of this section, with respect to an adult individual, medical assistance for all services covered